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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ORIGINAL

#92-2263

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1992

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 0-17194

F.F.O. Financial Group, Inc.
(Exact name of registrant as specified in its charter)

Florida		59-2899802
(State or other jurisdiction of incorporation or organization)		(I.R.S. Employer Identification Number)
2200 Live Oak Boulevard St. Cloud, FL		34771-8462
(Address of Principal Executive Offices)		(Zip Code)

PROCESSED BY
MAY 19 1992
Microfilmed by
Q-Data Corp. - St. Petersburg, FL

Registrant's telephone number, including area code. (407) 892-1200

Securities registered pursuant to Section 12(g) of the Act:

Common Stock ($.10 par value per share)
(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days. Yes X No __

The number of shares outstanding of the registrant's common stock, as of the latest practicable date is:

Class: Common Stock, par value $.10 per share
Outstanding at May 13, 1992: 2,180,000

F.F.O. FINANCIAL GROUP, INC.

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F.F.O. FINANCIAL GROUP, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (unaudited)

	MAR 31, 1992	DEC 31, 1991
ASSETS		
Cash	$ 12,772,469	$ 14,258,466
Federal funds sold	1,128,500	1,105,000
Securities purchased under agreements to resell	15,000,000	25,000,000
Investments	7,112,170	7,113,040
Loans receivable - net	276,392,012	279,431,785
Real Estate Owned	29,173,564	28,264,186
Office properties and equipment	7,075,484	7,301,006
Federal Home Loan Bank stock	2,237,900	2,197,800
Accrued interest receivable	4,245,218	4,087,520
Other assets	1,566,460	4,448,684
TOTAL	$356,703,777	$373,947,487
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposit accounts	$313,000,606	$330,289,208
Accrued interest on deposit accounts	199,760	423,702
Due to banks	1,228,571	1,624,045
Advances from Federal Home Loan Bank	16,800,000	16,800,000
Income taxes payable	0	0
Advances by borrowers for taxes and insurance	2,106,143	1,038,848
Deferred income taxes	383,902	335,196
Other liabilities	4,624,334	4,436,488
TOTAL LIABILITIES	338,343,316	354,947,487
Stockholders' Equity:		
Preferred stock, $.10 par value; authorized 2,500,000 shares, none outstanding		
Common stock, $.10 par value; authorized 7,500,000 shares, issued 2,415,000 shares; 2,180,000 shares outstanding	241,500	241,500
Additional paid-in capital	12,273,500	12,273,500
Retained earnings	7,517,649	7,417,188
Treasury stock (235,000 shares)	(1,672,188)	(1,672,188)
TOTAL STOCKHOLDERS' EQUITY	18,360,461	18,260,000
TOTAL	$356,703,777	$373,207,487
BOOK VALUE PER SHARE	$ 8.42	$ 8.38

See notes to consolidated financial statements.

F.F.O. FINANCIAL GROUP, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (unaudited)

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See notes to consolidated financial statements.

F.F.O. FINANCIAL GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)

	THREE MONTHS ENDED MAR 31	
	1992	1991
INTEREST INCOME		
Loans	$ 6,679,890	$ 8,082,520
Mortgage-backed securities	3,869	439,666
Investments	168,195	303,375
Other	315,557	488,592
Total Interest Income	7,167,511	9,314,153
INTEREST EXPENSE		
Deposits	3,972,957	5,893,265
Borrowings	360,897	864,861
Total Interest Expense	4,333,854	6,758,126
Net interest income	2,833,657	2,556,027
Provision for loan losses	134,197	250,136
Net interest income after provision for loan losses	2,699,460	2,305,891
OTHER INCOME		
Loan origination and other loan fees	82,728	158,479
Loan servicing fees	81,540	304,289
Service charges on deposit accounts	354,803	343,675
Gain on sale of investments	33,759	0
Gain on sale of loans	268,745	475,657
Other	72,425	37,548
Total Other Income	894,000	1,319,648
OTHER EXPENSES		
Employee compensation	1,290,032	1,695,217
Occupancy and equipment	606,010	702,102
Federal deposit insurance premiums	188,700	204,825
Goodwill amortization	0	11,850
Marketing and advertising	100,283	198,557
Data processing	193,009	190,167
Legal expense	94,120	44,436
REO expense	173,267	169,223
Loss on sale of property	0	307
Other	798,872	631,554
Total Other Expenses	3,444,293	3,848,238
INCOME (LOSS) BEFORE INCOME TAXES	149,167	(222,699)
Provision (credit) for income taxes	48,706	(73,672)
Net Income (Loss) before Cumulative Effect of a Change in Accounting Principle	100,461	(149,027)
Cumulative Effect on Prior Years of Adopting FAS 109	—	1,290,000
NET INCOME (LOSS)	$ 100,461	$ 1,140,973
NET INCOME (LOSS) PER SHARE OF COMMON STOCK	$ 0.05	$ 0.52

See notes to consolidated financial statements.

F.F.O. FINANCIAL GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

	Three Months Ended Mar 31 1992	1991
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 100,461	$ (149,027)
Increase (decrease) in loan loss reserve	(1,559,557)	(770,067)
Depreciation	213,714	244,275
(Gain) loss on sale of assets	0	307
(Gain) loss on sale of investments	0	0
(Gain) loss on sale of loans	(268,745)	(475,657)
Increase (decrease) in provision for taxes	48,706	376,719
Amortization	0	11,850
(Increase) in accrued interest receivable	(157,698)	(1,049,674)
Increase (decrease) in deferred loan fees	709,130)	12,815
Increase (decrease) in accrued interest payable	(223,942)	(103,240)
Increase (decrease) in escrow deposits	1,067,295	1,230,697
Increase (decrease) in taxes payable	0	0
(Increase) decrease in other assets	2,882,224	65,956
Increase (decrease) in other liabilities	187,846	57,590
Other, net	0	0
Cash provided (used) by operating activities	2,192,174	(547,456)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales and maturities of investments	870	4,860
Purchases of investments	0	0
MBS principal repayments	0	592,652
MBS (purchases) sales	0	0
Loan principal repayments	10,474,949	14,174,741
Sales of loans and participations	6,225,439	5,391,156
Participation repayments	(10,031,718)	(3,992,018)
Loan disbursements	3,133,044	(23,700,134)
Purchase of office properties and equipment	11,808	(357,088)
Sales (acquisitions) of real estate	(5,744,887)	8,548,882
(Purchase) sale of FHLB stock	(40,100)	801,300
Cash provided (used) by investing activities	4,029,405	1,464,351
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposits received	389,110,272	338,260,440
Deposits withdrawn	(406,398,874)	(343,343,554)
Funds borrowed	0	0
Borrowings repaid	0	(18,548,750)
Increase (decrease) in due to banks	(395,474)	271,730
Purchase of treasury stock	0	0
Cash provided (used) by financing activities	17,684,076	(23,360,134)
INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(11,462,497)	(22,443,239)
CASH AND EQUIVALENTS, BEGINNING	40,363,466	43,380,665
CASH AND EQUIVALENTS, ENDING	$ 28,900,969	$ 20,937,426

See notes to consolidated financial statements.

F.F.O. FINANCIAL GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Three Month Periods Ended March 31, 1992 and 1991
(unaudited)

Note 1 - Basis of Presentation

F.F.O. Financial Group, Inc. (the "Company") was incorporated in the State of Florida on June 6, 1988. On October 20, 1988, the Company became the unitary savings and loan holding company for First Federal Savings and Loan Association of Osceola County (the "Association"). The Company's operations are limited to ownership of the Association, and it incurs modest expenses in connection with its operations as a public company.

Note 2 - Management Opinion

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and therefore do not necessarily include all information and notes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting solely of normal recurring accruals) necessary for a fair presentation of results of operations for the interim periods included herein have been made. The results of operations for the period ended March 31, 1992, are not necessarily indicative of the operating results to be anticipated for the fiscal year ending December 31, 1992. These financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report to Stockholders for the year ended December 31, 1991.

Earnings per share are computed by dividing earnings by the weighted average number of shares outstanding during the period. No adjustment has been made to give effect to the shares that would be outstanding, assuming the exercise of outstanding stock options, since the impact is deemed immaterial.

Note 3 - Reclassifications

Certain reclassifications have been made to the financial statements from prior periods in order to conform to the presentations used in the financial statements for the current period.

In addition, the results for the three months ended March 31, 1991 have been restated to reflect the cumulative effect of the Company's adoption of the Financial Accounting Standards Board Statement No. 109, "Accounting for Income Taxes" ("FAS 109"). See Note 1 of the Notes to Consolidated Financial Statements in the 1991 Annual Report to Stockholders.

Note 4 - Cash and Equivalents

For the purpose of reporting cash flows, the Company considers all highly liquid debt instruments, such as federal funds, overnight deposits, and certificates of deposit with an original maturity of three months or less to be cash equivalents.

Note 5 - Investments

U.S. Government and agency obligations:	Mar 31, 1992 Amortized Cost	Mar 31, 1992 Market Value	Dec 31, 1991 Amortized Cost	Dec 31, 1991 Market Value
	(dollars in thousands)			
Under 1 year	$ 0	$ 0	$ 0	$ 0
1 to 5 years	0	0	0	0
Over 5 years	7,080	6,572	7,081	6,911
	7,080	6,572	7,081	6,911
Municipal obligations	32	32	32	32
Total Investments	$ 7,112	$ 6,604	$ 7,113	$ 6,943

In accordance with the Company's investment policy, all securities with an original maturity of five years or less are carried at the lower of cost or market value, and therefore are presented net of valuation allowances. The Company is carrying an obligation from a local municipality for which no market exists. This obligation is estimated to have a market value equal to cost.

Note 6 - Loans Receivable - net

	Mar 31, 1992	Dec 31, 1991
Mortgage Loans		
Conventional residential	$183,122,030	$182,995,719
Construction residential	15,800,132	17,358,699
FHA and VA	21,064,492	20,073,000
Nonresidential real estate	31,053,789	29,851,382
Construction nonresidential	0	1,818,144
Total Mortgage Loans	251,040,443	252,096,944
Other Loans		
Deposit account loans	1,606,537	1,853,996
Consumer loans	14,891,975	15,606,088
SBA and related loans	18,193,624	18,712,984
Home improvement loans	357,754	409,753
Total Other Loans	35,049,890	36,582,821
Total Loans	286,090,333	288,679,765
Deduct:		
Undisbursed portion of loans in process	(4,648,187)	(4,034,423)
Deferred net loan origination fees and gains on sale of SBA loans	(1,379,353)	(1,477,483)
Allowance for loan losses	(3,670,781)	(3,736,074)
Total Deductions	(9,698,321)	(9,247,980)
Loans Receivable - net	$276,392,012	$279,431,785

Note 7 - Real Estate Owned

	Mar 31, 1992	Dec 31, 1991
Real estate acquired in settlement of loans	$15,706,876	$13,423,051
Real estate in judgment	15,353,782	17,027,091
Total investment in real estate owned	31,060,658	30,450,142
Less allowance for losses	(1,887,094)	(2,185,956)
Total Real Estate Owned	$29,173,564	$28,264,186

Real estate acquired in settlement of loans has been acquired through foreclosure or deed in lieu of foreclosure and is carried at the lower of its fair market value or the balance of the related loan on the property at the date of acquisition. Costs related to the development and improvement of the property are capitalized, whereas costs related to holding the property are charged to expense.

Real estate in judgment represents loans which, in substance, are considered foreclosed even though formal foreclosure proceedings have not been completed. The carrying value of real estate in judgment is the lower of its estimated fair value or the balance of the related loan. Although the collateral for the loans has not been repossessed, the borrower has no equity in the collateral at its current estimated fair value, proceeds for repayment are expected to come only from the operation or sale of the collateral, and either the borrower has abandoned control of the project or it is doubtful the borrower will rebuild equity in the collateral or repay the loan by other means in the foreseeable future.

F.F.O. FINANCIAL GROUP, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the quarters ended March 31, 1992 and 1991

INTRODUCTION

F.F.O. Financial Group, Inc. (the "Company") was incorporated in the State of Florida on June 6, 1988. On October 20, 1988, the Company became the unitary savings and loan holding Company for First Federal Savings and Loan Association of Osceola County (the "Association"). The Company's operations are limited to ownership of its subsidiary, and it incurs modest expenses in connection with its operations as a public company. The Company's headquarters are located in St. Cloud, Florida.

The Association is a federally chartered savings and loan association which conducts business from its headquarters and main office in Kissimmee, Florida and 11 branch offices located in Central Florida. It was founded in 1934 as a mutual savings and loan association. On October 20, 1988, the Association converted to a federally chartered stock association. The Association's deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") through the Savings Association Insurance Fund ("SAIF").

The Association has two wholly owned subsidiaries, First Osceola Service Corporation ("FOSC") and Gulf American Financial Corporation ("GAFC"). FOSC engaged, on a limited scale, in real estate development. Effective December 7, 1989, the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") required a phased-in deduction from the Association's regulatory capital of the amount of its investment in and advances to FOSC. In order to improve regulatory capital ratios, the Association sold all of the assets of FOSC during December 1991.

GAFC, which previously made commercial construction loans, is no longer originating new loans and the Company is winding down its operations. GAFC owns Gulf American SBL, Inc. ("Gulf American"), which was an approved U.S. Small Business Administration ("SBA") lender prior to the Company's decision to sell Gulf American's SBA license, which sale occurred in December 1991. The Company also is winding down the activities of Gulf American; the former Gulf American loan offices have been closed and Gulf American is no longer originating new loans. Although the Association continues to make SBA loans, such lending activities will be much more limited than in prior periods.

CHANGES IN FINANCIAL CONDITION

Total assets of the Company decreased during the first quarter of 1992 by $17.2 million or 4.6% and totaled $356.7 million at March 31, 1992. Cash and equivalents decreased $11.5 million or 28.4% during the three months ended March 31, 1992. Such decrease was primarily due to a decline in deposits. Net loans decreased during the first quarter by $3.0 million or 1.1%. Other assets decreased by $2.9 million primarily resulting from the receipt of a federal income tax refund of $2.0 million during the quarter ended March 31, 1992. Total liabilities declined by $16.6 million or 4.7% during the first quarter of 1992 to a total of $338.3 million at March 31, 1992. This decrease was primarily due to a $17.3 million or 5.2% reduction in deposits, which was

partially offset by an increase in advances by borrowers for taxes and insurance of $1.1 million. Shareholders' equity increased by $100,000 during the three months ended March 31, 1992 due to a net gain for the period.

COMPARISON OF RESULTS OF OPERATIONS FOR THE THREE MONTH PERIODS ENDED MARCH 31, 1992 AND 1991

First quarter results for 1992 reflect the continuing impact of the Company's nonperforming assets. Interest income on loans declined by $1.4 million in 1992 compared to the same period in 1991. Such decrease was more than offset by a decrease in total interest expense of $2.4 million. This decrease was due to a decrease in the average balance of deposits outstanding as well as a decrease in average rates paid on both deposits and borrowings. First quarter results were also affected by an aggregate decrease of $426,000 or 32.3% in other income, which resulted primarily from the Company's decision to wind down the activities of GAFC and Gulf American. In addition, overhead expenses during the quarter ended March 31, 1992 compared to the same period in 1991 decreased $404,000 or 10.5%. Such decrease was attributable to a decrease in compensation expense at the Association as well as the phase-out of GAFC and Gulf American.

Interest Income

Interest income on all interest earning assets for the three months ended March 31, 1992 decreased by $2.1 million or 23.1% over the same period in 1991. Such decrease was attributable primarily to a 124 basis point decrease in the yield on interest earning assets, and to a lesser extent, a 12.1% decrease in the average balance thereof. For the three months ended March 31, 1992, the average balance of the net loan portfolio was $292.6 million yielding 9.13%, compared to $310.0 million yielding 10.43% the comparable period in the previous year. Interest on mortgage-backed securities decreased $436,000 due to the sale of the entire mortgage-backed portfolio. Income on other investments decreased primarily due to a significant reduction in the yield earned thereon.

Interest Expense

Interest expense for the three months ended March 31, 1992 decreased $2.4 million or 35.9% over the similar period in 1991. This decrease was attributable to reduced average balances on both deposits and borrowings as well as significant reductions in the rates paid thereon. The cost of deposits decreased by $1.9 million or 32.6% for the three months ended March 31, 1992 compared to the same period in 1991. At March 31, 1992, total deposits were $313.0 million, at an average rate of 4.65%, compared to $330.3 million at 6.60% at March 31, 1991. The average balance on FHLB advances declined 54.9% from the first quarter of 1991 to the first quarter of 1992, which was the primary reason for a $504,00 or 58.3% decrease in interest expense on borrowings. At March 31, 1992, total borrowed funds were $16.8 million, at an average rate of 8.64%, compared to $31.8 million at 8.10% at March 31, 1991.

The Company's interest rate spread was 3.48% for the three months ended March 31, 1992, compared to a spread of 2.90% for the three months ended March 31, 1991. This increase of 58 basis points primarily reflects the decrease in rates paid on deposits in the first quarter of 1992 compared to the same period in 1991, which was partially offset by the impact of the Company's nonperforming assets.

The following table represents a summary of average balances and rates used to calculate net interest rate spread for the periods indicated.

	Three Months Ended March 31, 1992 (dollars in thousands)		March 31, 1991	
	Average Balance	Average Yield/ Rate	Average Balance	Average Yield/ Rate
Interest earning assets:				
Investment Securities	$ 9,269	7.26%	$ 16,932	7.17%
Loans receivable (net)	292,620	9.13%	309,963	10.43%
Mortgage-backed securities	113	13.64%	19,642	8.95%
Other earning assets	25,919	4.87%	26,703	7.32%
Total	$327,922	8.74%	$373,240	9.98%
Interest bearing liabilities:				
Deposits	$312,385	5.09%	$343,209	6.87%
FHLB advances	16,800	8.59%	37,267	8.97%
Reverse repurchase agreements	0	0.00%	1,446	8.01%
Total	$329,185	5.26%	$381,922	7.08%
Interest rate spread		3.48%		2.90%
Net interest margin		3.46%		2.74%

Provision for Possible Loan Losses

The Company's provision for loan losses in the first quarter of 1992 was $134,000, compared to $250,000 for the similar period in 1991. Management of the Company monitors the loan portfolio on a regular basis and evaluates the adequacy of the allowance for loan losses. Management believes that the allowance was adequate on March 31, 1992.

Set forth below is a summary of transactions in the allowance for possible loan losses in the first quarters of 1992 and 1991.

	Three Months Ended March 31 1992	1991
Beginning Balance	$3,736,074	$4,282,294
Provision for loan losses	134,197	250,136
Charge-offs	(47,170)	(1,021,454)
Recoveries	42,927	1,251
Transfers to REO	(195,247)	0
Ending Balance	$3,670,781	$3,512,227

Other Income
Other income for the three month period ended March 31, 1992 decreased $426,000 or 32.3%, compared to the same period in 1991, primarily as a result of the Company's 1991 decision to wind down the operations of its lending subsidiaries, Gulf American Financial Corporation ("GAFC") and Gulf American SBL, Inc. ("Gulf American") and the related sales during 1991 of substantially all of the assets of Gulf American. As a result of the related decline in originating and servicing of SBA loans, loan servicing fees decreased by $223,000 and gains on sale of loans decreased by $207,000 during the quarter ended March 31, 1992, compared to the same period last year.

Other Expenses
Other expenses decreased by $404,000 or 10.5% for the three month period ended March 31, 1992, compared to the similar period in 1991. During the three months ended March 31, 1992, employee compensation and benefits decreased by $405,000 or 23.9%, primarily due to the reduced number of employees in 1992 from 1991, while occupancy and equipment decreased $96,000 or 13.7% and marketing and advertising decreased $98,000 or 49.5%. Such reductions in expenses were primarily a result of winding down the operations of GAFC and Gulf American. Partially offsetting these decreases in 1992 were increases in legal expenses and other expenses.

Income Taxes
The Company's provision for income taxes for the first quarter of 1992 was $49,000, compared to an income tax credit of $74,000 for the same period a year ago. The increase in taxes is primarily attributable to the increase in pre-tax income in the first quarter of 1992 from that in 1991.

Net Income
Net income for the first quarter of 1992 was $100,000, an increase from the net loss of $149,000 for the first quarter of 1991, prior to the cumulative effect of the adoption of FAS 109. The increase was largely attributable to a decrease in interest expense, which was partially offset by a reduction in interest income and an increase in income taxes.

Loan Originations
Loan originations for the three months ended March 31, 1992 continue to reflect the impact of an agreement executed in October 1990 between OTS and the Association. The Agreement, among other things, currently limits the Association's real estate lending authority to single-family residential mortgage loans, loans to finance the sale of real estate owned, certain multifamily construction loans for up to eight units not exceeding $500,000 and loans not exceeding $500,000 secured by developed building lots which are intended for residential single-family units, SBA loans not exceeding $250,000 and not exceeding $500,000 with respect to certain construction loans.

Following is the Company's loan origination activity for the first quarters of 1992 and 1991, respectively.

	Three Months Ended March 31	
	1992	1991
Mortgage Loans		
Permanent residential	$17,312,557	$18,020,499
Permanent commercial	0	0
Construction residential	3,455,000	6,891,529
Construction commercial	0	0
Land	0	120,900
Consumer/Commercial loans	861,133	1,033,990
SBA and related loans	2,439,000	12,968,800
Total Originations	$24,067,690	$39,035,718

Construction loan and consumer loan originations include lines of credit for which funds may not have been fully disbursed.

Asset Quality

The Association is required by the OTS to classify its own assets and to establish valuation allowances based in part on such classifications. These classifications are subject to review by the OTS examiners. Management of the Company reviews its loan and investment portfolio on a monthly basis, classifying those assets deemed appropriate and establishing valuation allowances as appropriate. An asset is classified substandard if it is determined to involve a distinct possibility that the Association could sustain some loss if deficiencies associated with the asset are not corrected. An asset is classified as doubtful if full collection is highly questionable or improbable. An asset is classified loss if it is considered uncollectible, even if a partial recovery could be expected in the future. If an asset is classified pursuant to the Association's policies, or by regulatory examiners, general allowances for loan losses may be established. If an asset is classified as loss, the Association is required to establish a specific allowance in an amount equal to 100% of the portion of the asset classified loss or it must charge off that amount.

The following table illustrates the Company's classified assets as of March 31, 1992.

Classification of Assets	First Federal Osceola	GAFC	Consolidated
Substandard	$39,951,494	$12,714,295	$52,665,789
Doubtful	1,038,000	39,000	1,077,000
Loss	616,781	1,229,000	1,845,781
Total Classified Assets	$41,606,275	$13,982,295	$55,588,570

Classified assets totaled $55.6 million at March 31, 1992, as compared to $54.0 million at December 31, 1991, and $43.4 million at March 31, 1991. Increases in classified assets primarily reflect the financial difficulties being encountered by many of the Company's borrowers during the current economic climate.

Classified assets are comprised of the following loans and assets as of March 31, 1992.

Subdivision, Orange County (68 lots)	$ 2,328,364
5 warehouses in Central Florida	1,229,249
Residential development	1,700,000
Apartment project, Brevard County (166 units)	6,533,698
2 Cardinal Industries apartment projects	1,038,000
18 SBA-guaranteed loans to various borrowers	4,151,293
Accrued interest on various classified loans	113,593
50 single family residences, 16 building lots	7,433,715
Real Estate in Judgment:	
Subdivision, Brevard County (77 lots)	1,722,780
Apartment project, Tallahassee	3,800,000
40 SBA-guaranteed loans to various borrowers	9,831,002
Real Estate Owned:	
2 shopping centers, Brevard County	623,990
1 shopping center, Brevard County	2,203,118
1 shopping center, Orange County	1,186,222
1 shopping center, Brevard County	1,997,624
Apartment complex (15 units)	336,743
Vacant commercial property	251,140
Subdivision, Orange County (176 lots)	1,673,309
44 single family residences, 11 building lots	7,434,730
Total Classified Assets	$55,588,570

As of March 31, 1992, the Company had nonperforming assets as follows:

Nonperforming Assets	First Federal Osceola	GAFC	Consolidated
Nonaccrual loans	$ 9,816,780	$ 2,883,293	$12,700,073
Accruing Lns 90 Days Overdue	0	935,174	935,174
Troubled Debt Restructured	8,233,698	0	8,233,698
Real Estate Owned	21,229,656	9,831,002	31,060,658
Total Nonperforming Assets	39,280,134	13,649,469	52,929,603
Allowance for Losses	4,118,854	2,566,285	6,685,139
Net Nonperforming Assets	$35,161,280	$11,083,184	$46,244,464
Net Nonperforming Assets/ Total Assets	9.86%	37.20%	12.43%

Although not delinquent at March 31, 1992, nonperforming assets include a troubled debt restructuring of $6.5 million. This total represents a single loan on an apartment project in Melbourne, Florida. The restructuring was completed in April 1990, and the loan has performed in accordance with the contract subsequent to that date.

Regulatory Capital

On November 8, 1989, the OTS published a final rule (which became effective December 7, 1989) implementing the three capital standards set forth in the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") (the "Capital Rule"). The Capital Rule requires each savings institution to maintain tangible capital equal to at least 1.5% of its adjusted total assets and core capital equal to at least 3% of its adjusted total assets. At March 31, 1992, the Association's tangible capital and core capital was approximately $18.4 million or 5.15% of adjusted total assets. The Capital Rule further requires each savings institution to maintain total capital equal to at least 7.2% of its risk-weighted assets at March 31, 1992. The required risk-based capital ratio increases to 8% of risk-weighted assets on December 31, 1992. At March 31, 1992, the Association's total capital was $22.5 million or 8.13% of risk-weighted assets.

Asset and Liability Management

The Association, like most other thrifts, is engaged primarily in the business of investing funds obtained from deposits and borrowings into interest-earning loans and investments. Consequently, the Association's earnings depend to a significant extent on its net interest income, which is the difference between the interest earned on loans, mortgage-backed securities and other investments, and the interest paid on deposits and borrowings. The Association is subject to interest rate risk, and corresponding fluctuations in its net interest income, to the extent that its interest-earning assets and interest-bearing liabilities do not mature or reprice at the same time. Because its interest-bearing liabilities generally reprice over a shorter term than do its interest-earning assets, the Association's net interest income will normally decline during periods of rising interest rates and increase during periods of falling interest rates.

Asset/liability management policies are employed in an effort to reduce the Association's exposure to interest rate risk and thereby reduce the volatility of net interest income. The primary goal of these policies is to achieve a reasonable interest rate spread while reducing the repricing imbalance or gap by increasing the interest rate sensitivity and shortening the repricing period of the Association's interest-earning assets and lengthening the repricing period of its interest-bearing liabilities.

In order to increase the interest rate sensitivity of its interest-earning assets, the Association has emphasized the origination of residential conventional mortgage loans with adjustable interest rates and loans with shorter maturities. The Association also sought in recent years to diversify and increase the interest rate sensitivity of its loan portfolio by emphasizing the origination of construction loans for residential properties within its primary market area. Such loans generally provide for contractual maturities within one year or less. Given the level of nonperforming assets in the Association's loan portfolio and the lending limitations which were agreed to in October 1990, the Association has reduced its emphasis on residential construction loans. Although competitive pressures require the Association to offer long-term, fixed rate mortgage loans, most such loans are originated under terms and conditions intended to permit their sale in the secondary market.

The following table summarizes the anticipated maturities or repricing of the Company' interest-earning assets and interest-bearing liabilities as of March 31, 1992, based upon certain estimates and assumptions as to the loan prepayment rates and certain deposit erosion rates which management believes are reasonable based on the Association's experience.

	Maturing or Repricing In (dollars in thousands)			
	1 Year or Less	1 Year thru 4 Yrs	Over 4 Yrs	Total
Interest Earning Assets				
Cash and equivalents	$ 28,901	$ 0	$ 0	$ 28,901
Investments	0	0	7,000	7,000
Mortgage loans				
Fixed rate	25,868	4,454	75,267	105,589
Adjustable rate	81,204	45,239	14,360	140,803
Mortgage-backed securities	0	0	0	0
Other loans				
Consumer/Commercial	6,284	4,854	663	11,801
Line of Credit	5,055	0	0	5,055
Other earning assets	2,254	16	0	2,270
SBA and related loans	18,194	0	0	18,194
TOTAL	$167,760	$54,563	$97,290	$319,613
Interest Bearing Liabilities				
Deposits				
Passbook accounts	$ 4,800	$18,000	$25,191	$ 47,991
Checking accounts	40,684	0	0	40,684
Premium statement accounts	3,803	13,937	20,294	38,034
Certificate accounts	137,410	38,057	2,767	178,234
Borrowings	16,800	0	0	16,800
TOTAL	$203,497	$69,994	$48,252	$321,743
Interest sensitivity gap	$(35,737)	($15,431)	$49,038	
Cumulative interest sensitivity gap	$(35,737)	($51,168)	$ (2,130)	
Cumulative ratio of gap to total assets	(10.02%)	(14.34%)	(0.60%)	

Any analysis of interest sensitivity is representative of a point in time and may not be indicative of results that would actually occur in a volatile interest rate environment.

LIQUIDITY AND CAPITAL RESOURCES

The Company reported a net profit of $100,461 for the first quarter of 1992, which resulted in total stockholders' equity of $18.4 million at March 31, 1992. Book value per share at March 31, 1992 was $8.42, compared with $8.38 at December 31, 1991, and $8.29 at March 31, 1991.

The Association is required under applicable federal regulations to maintain specific levels of "liquid" investments, which include U.S. Government and Federal Agency securities, cash, certificates of deposit as well as other investments. Current regulations require the Association to maintain liquid assets of not less than 5% of its net withdrawable deposit accounts plus short term borrowings. These levels are established by the OTS and are adjusted periodically to reflect current conditions. The Association has generally maintained liquidity in excess of required levels. The Association's regulatory liquidity ratio was 8.90% at March 31, 1992.

At March 31, 1992, the Association had loan commitments outstanding of $2.1 million and GAFC had approved SBA loan commitments outstanding of $2.3 million. On March 31, 1992, the Company had $203.5 million in liabilities maturing during the next 12 months. The Company's principal sources of funds are loan payments and prepayments, whole loan and loan participation sales, net deposit inflows, and borrowings. The Company's management believes that all of its commitments can be met from these sources.

Impact of Inflation and Changing Prices

The consolidated financial statements and notes thereto, presented herein, have been prepared in accordance with generally accepted accounting principles, which require the measurement of financial position and operating results in terms of historical dollars without considering changes in the relative purchasing power of money over time and due to inflation.

Unlike most industrial companies, substantially all the assets and virtually all of the liabilities of the Company are monetary in nature. As a result, interest rates have a more significant impact on the Company's performance than does the general level of inflation. Over short periods of time, interest rates may not necessarily move in the same direction or in the same magnitude as inflation.

PART II

ITEM 1. Legal Proceedings

The Company is not engaged in any legal proceedings of a material nature at the present time. From time to time, it is a party to legal proceedings in the ordinary course of business wherein it enforces its security interest in loans.

ITEM 2. Changes in Securities

Not applicable.

ITEM 3. Defaults Upon Senior Securities

Not applicable.

ITEM 4. Submission of Matters to a Vote of Securities Holders

Not Applicable.

ITEM 5. Other Information

Not applicable.

ITEM 6. Exhibits and Reports on Form 8-K

a. Exhibits - None

b. Reports on Form 8-K - None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

F.F.O. FINANCIAL GROUP, INC.

Date: May 14, 1992

James B. Davis
Chief Executive Officer and
President

Date: May 14, 1992

Phyllis A. Elam
Senior Vice President and
Chief Financial Officer